The actual expenditure of the year excluding the contribution of Rs 12 lakhs to the Revenue Reserve Fund amounted to Rs. 241·62 lakhs and was in excess of the revised estimate by Rs 160 lakhs. The increase in expenditure was mainly under Interest (1·26), Political pensions (·53 and Superannuation allowances and pensions (·82). Under interest, the increase was due to the larger investments in the Savings Bank. Payment of previous years' arrears of pension during the year accounts for the increase under Political Pensions. The increase under Superannuation allowances and Pensions, was due to the general increase in the number of retirements.

On the capital side, the receipts from the sale of Government lands and Capital Expenditure not charged to revenue amounted to Rs 1·31 lakhs and Rs 11·12 lakhs respectively against the revised estimates of Rs 1·40 lakhs and Rs 18·90 lakhs. A sum of Rs 2·54 lakhs was also written off the accounts during the year as loss on investment in the State-aided Bank Ltd., Alleppey, in accordance with the terms of the tentative agreement with the Bank, dated September 1936.

As a result of the year's transactions, both ordinary and capital, including loss written off, the Government Account balance which was expected to stand at Rs 74·61 lakhs in the Revised estimates for 1112 was reduced to Rs 73·58 lakhs at the close of the year.

REVISED ESTIMATES FOR 1113.

3. The Budget estimates for the current year were for a total revenue of Rs 249·48 lakhs and provided for a programme of expenditure of Rs 246·88 lakhs resulting in a revenue surplus of Rs 2·60 lakhs. On the basis of the actuals so far available, the revenue is expected to stand at Rs 251·06 lakhs and the expenditure charged to Revenue at Rs. 250·06 lakhs. The current year is thus expected to close with a small revenue surplus of Rs 1·00 lakhs against Rs 2·60 lakhs anticipated in the budget. The ordinary revenue for the year is expected to be better than the original budget anticipation by Rs. 1·58 lakhs being the net result of an improvement in revenue to the extent of Rs 5·71 lakhs under some of the major heads of revenue and a decline of Rs 4·13 lakhs under others. The expected improvement in revenue is mainly under Land Revenue (·40), Customs (1·00), Excise duty on matches (·70), Education (·50), Buildings Communications and Miscellaneous Public Improvements (·50) and Commercial Transport (1·15). Under Land Revenue, the increase is due to better receipts under Ordinary Revenue and Miscellaneous. I may mention here that owing to the severe draught of 1112 and insufficiency of water to irrigate lands in Thovala, Agastiswaram and Kalkulam taluks, remission of tax for the Kanni crop of 1113 in respect of an extent of 25,276 acres amounting to Rs 1·09 lakhs was sanctioned by Government. The increase under Customs is due to the improvement, to the extent of Rs 4·30 lakhs, under duty on exports including tea, off-set by a decline of Rs 3·13 lakhs under Cochin Harbour Receipts, due mainly to the fall in imports of sugar owing to the policy of sugar protection.

LIBRARY ARCHIVES Kerala Legislative Assembly

While framing the budget estimates for the current year, it was assumed that the net customs revenue in the Cochin Port for the year ended March 1937 would amount to at least Rs 49·00 lakhs and our share of the net collections would amount to Rs 16·50 lakhs. A revenue of Rs 12·40 lakhs was thus expected from this source after deducting the import duty collected in our ports from Quilon to Munambam and also the duty collected on Jaffna tobacco. But, owing to the absence of the import of Java sugar through the Cochin Port, the net revenue collected in the Cochin Port for the year ended March 1937 amounted to Bh. Rs 34·57 lakhs only and consequently, our share after deducting the export duty realised in the ports above mentioned and the duty on Jaffna tobacco, which have to be surrendered to the common pool, amounted to Rs 9·26 lakhs only. Under Excise duty on matches, the increase is under contribution from the Government of India out of the pool of the receipts for the whole of India for the year ended March 1937 which amounted to Rs 3·22 lakhs, as against Rs. 1·92 lakhs in 1936. Under Education, the expected increase is under fees from schools and 'Examination fees.' The increase under Buildings, Communications and Miscellaneous Public Improvements is due mainly to increased receipts under subventions from the Road Development Account of the Government of India which amounted to Rs 2·23 lakhs against Rs. 2·00 lakhs only anticipated in the budget. In accordance with the scheme referred to in the last budget speech, the control of bus traffic has been taken over by Government and the Trivandrum-Nagercoil-Cape bus service was opened from 10th Kumbhom 1113. Subsequently, the Trivandrum-Nedumangad line and the Town Bus service were also taken under Government control. The net receipts from the scheme during the current year are expected to amount to Rs. 1·15 lakhs after providing for interest on capital and depreciation. Decreases are expected under some of the major heads of revenue of which the most important one is Excise (2·60). As a result of the special measures adopted during the current year to check effectively the smuggling of tobacco through the frontiers, it was expected when the budget estimates were framed that a revenue of at least Rs 25·00 lakhs would be realised under tobacco. But, on the basis of the actual receipts so far realised a revenue of Rs 23·35 lakhs only is estimated from this source. Under Abkari and Opium also, the revenue is expected to fall short of the budget anticipation by Rs ·95 of a lakh due mainly to the slow progress in the collection of arrears of Excise Revenue.

4. Coming to the expenditure side, the revised estimate for the current year is for a net increase of Rs. 3·18 lakhs over the budget estimate for the year. The items which contribute to this increase are mainly Interest (·73), Panivagai (·68), Medical, Public Health and Sanitation (·99), Public Works (1·28), Miscellaneous Political Expenditure (1·41) and Superannuation allowances and Pensions (·76). The increase under 'interest' is due to the provision for payment of interest on the rapidly increasing Savings Bank deposits and on the special loans. Under

LIBRARY ARCHIVES Kerala Legislative Assembly

Panivagai the increase is due to the additional allotment sanctioned during the year. The contribution of Bh. Rs. 1 lakh towards the All-India Anti Tuberculosis Programme accounts for the increased expenditure under Medical, Public Health and Sanitation. The increase under Public Works is due to the additional allotment sanctioned during the year for urgent works. Increased expenditure under catering for State guests, Birthday Celebrations of His Highness the Maharaja and other charges accounts for the increase under Miscellaneous Political Expenditure. Under Superannuation allowances and Pensions, the expected increase is on account of increase in the retirement list.

Savings in expenditure are also expected under "His Highness the Maharaja's Tours outside the State" (·90), Education (·41), Maramat (·43), and Army (·98). Under "His Highness the Maharaja's tours outside the State," the major portion of the budget grant is expected to lapse since the only tour of His Highness during the year was a short one to Waltair. The savings under salaries and establishment charges account for the decrease under Education. The amalgamation of the Maramat department with the P. W. D. after the passing of the budget estimates for the year and savings in the allotment provided for Maramat works, account for the less expenditure under Maramat. Under Army, the expected saving is chiefly under salaries and establishment charges due mainly to the strength of the Forces not having been brought up to the full sanctioned number.

5. On the Capital section, sale proceeds of Government lands are expected to bring in Rs 1·35 lakhs against the budget estimate of Rs 2 lakhs and the Miscellaneous receipts from the sale of Government Distillery at Nagercoil and the Tincture Factory, to the Travancore Sugars and Chemicals Ltd., are expected to bring in Rs. 2·01 lakhs. The capital outlay on our non-productive schemes and works is now expected to stand revised at Rs 30·75 lakhs against the budgeted expenditure of Rs 38·32 lakhs. The loss on our investments in the Travancore Sugars Ltd., Thuckalay, amounting to Rs 1·58 lakhs is also proposed to be written off the accounts of this year as capital loss. A net outgoing of Rs 27·98 lakhs is thus expected against Rs 33·29 lakhs anticipated in the budget. The Government Account balance which was Rs 73·58 lakhs at the beginning of the year is now expected to be reduced to Rs 45·60 lakhs at the close of the current year.

BUDGET ESTIMATES FOR 1114.

6. The following are some of the more important changes in the classification of Budget heads made in the next year's budget estimates:—

(i) On the receipt side two major heads have been opened under the Group head Commercial Services, one to exhibit the details of the gross receipts and working expenses of the Commercial Transport Department and the other of the Clay Refining and Porcelain Factory.

LIBRARY ARCHIVES Kerala Legislative Assembly